

AMENDED IN ASSEMBLY JUNE 22, 2011

AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE APRIL 13, 2011

**SENATE BILL**

**No. 477**

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**Introduced by Senator Wright**

February 17, 2011

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~~An act to amend Section 48260.5 of the Education Code, relating to pupils. An act relating to the Inglewood Unified School District, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 477, as amended, Wright. ~~Pupils: truancy.~~ *Inglewood Unified School District: emergency loan.*

*(1) Existing law provides for emergency apportionments to school districts subject to specified conditions including, in certain circumstances, the repayment of an emergency loan over a period of no more than 10 years and the appointment by the Superintendent of Public Instruction of an administrator who would exercise the powers and responsibilities of the governing board of the school district.*

*This bill would express the intent of the Legislature to provide emergency apportionment assistance to the Inglewood Unified School District, and require the Superintendent to assume all the rights, duties, and powers of the governing board of the Inglewood Unified School District and to appoint, in consultation with the Los Angeles County Superintendent of Schools, a state administrator to act on behalf of the Superintendent in exercising the Superintendent's authority over the school district.*

*The bill would continue the authority of the Superintendent and the state administrator over the school district until certain enumerated conditions are met, including the completion of assessment and improvement plans for the school district.*

*The bill would require the County Office Fiscal Crisis and Management Assistance Team (FCMAT) to provide specified assistance relating to the development of a multiyear financial recovery plan, the preparation of budget reports, and the recommendation of activities that could enhance revenue or achieve cost savings.*

*The bill would require the school district to bear 100% of the costs associated with implementing the provisions of the bill relating to the administration of the emergency apportionment assistance and the activities of the FCMAT, thereby imposing a state-mandated local program.*

*The bill would appropriate \$12,900,000 from the General Fund to the Superintendent for apportionment as an emergency loan to the Inglewood Unified School District, and would specify procedures for repayment of the loan. The bill would authorize the school district to sell property owned by the school district from June 1, 2011, to June 30, 2014, inclusive, and use the proceeds from the sale to reduce or retire the emergency loan, and would prohibit the school district from being eligible for financial hardship assistance under the Leroy F. Greene School Facilities Act of 1998 from June 1, 2011, to June 30, 2016, inclusive.*

*(2) This bill would make a legislative finding and declaration that the unique circumstances of the Inglewood Unified School District warrant the enactment of a special statute.*

*(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~(1) Existing law provides that a pupil subject to compulsory full-time education or to compulsory continuation education who is absent from school without valid excuse 3 full days in one school year, or tardy or absent for more than any 30-minute period during the schoolday without a valid excuse on 3 occasions in one school year, or any combination thereof, is a truant. Existing law requires, upon a pupil's initial classification as a truant, a school district to notify the pupil's parent~~

or guardian using the most cost-effective method possible, which may include electronic mail or a telephone call, that the pupil is truant, and to communicate additional information relating to truancy, as prescribed.

~~This bill would require each school district to establish a policy specifying the time period for notifying the parent or guardian of a pupil upon the pupil's initial classification as a truant. By requiring school districts to perform a new duty, this bill would impose a state-mandated local program.~~

~~(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. It is the intent of the Legislature to provide  
2     emergency appropriation assistance to the Inglewood Unified  
3     School District, and invoke the provisions of Article 2 (commencing  
4     with Section 41320) of, and Article 2.5 (commencing with Section  
5     41325) of, Chapter 3 of Part 24 of Division 3 of Title 2 of the  
6     Education Code, except as otherwise provided in this act, in order  
7     to restore the school district to fiscal solvency.  
8     SEC. 2. As provided in subdivision (b) of Section 41326 of the  
9     Education Code, the Superintendent of Public Instruction shall  
10    assume all legal rights, duties, and powers of the governing board  
11    of the Inglewood Unified School District, and shall appoint a state  
12    administrator, in consultation with the county superintendent of  
13    schools, to act on his or her behalf in carrying out the requirements  
14    of Article 2 (commencing with Section 41320) of, and Article 2.5  
15    (commencing with Section 41325) of, Chapter 3 of Part 24 of  
16    Division 3 of Title 2 of the Education Code. Notwithstanding  
17    subdivision (e) of Section 41326 of the Education Code, the  
18    authority of the Superintendent of Public Instruction and the state  
19    administrator shall continue until all of the following occur:

1     (a) (1) At any time after one complete fiscal year has elapsed  
2 following the school district's acceptance of a loan as described  
3 in subdivision (a) of Section 41326 of the Education Code, the  
4 state administrator determines, and so notifies the Superintendent  
5 of Public Instruction and the county superintendent of schools,  
6 that future compliance by the school district with the recovery  
7 plans approved pursuant to paragraph (2) is probable.

8     (2) The Superintendent of Public Instruction may return power  
9 to the governing board of the school district for any area listed in  
10 subdivision (a) of Section 41327.1 of the Education Code, if  
11 performance under the recovery plan for that area has been  
12 demonstrated to the satisfaction of the Superintendent of Public  
13 Instruction.

14     (b) The Superintendent of Public Instruction has approved all  
15 of the recovery plans referred to in subdivision (a) of Section 41327  
16 of the Education Code, and the County Office Fiscal Crisis and  
17 Management Assistance Team completes the improvement plans  
18 specified in Section 41327.1 of the Education Code and has  
19 completed a minimum of two reports identifying the school  
20 district's progress in implementing the improvement plans.

21     (c) The state administrator certifies that all necessary collective  
22 bargaining agreements have been negotiated and ratified, and  
23 that the agreements are consistent with the terms of the recovery  
24 plans.

25     (d) The school district has completed all reports required by  
26 the Superintendent of Public Instruction and the state  
27 administrator.

28     (e) The state administrator certifies that the members of the  
29 school board and district personnel, as appropriate, have  
30 successfully completed the training specified in subdivision (b) of  
31 Section 6 of this act.

32     (f) The Superintendent of Public Instruction determines that  
33 future compliance by the school district with the recovery plans  
34 approved pursuant to subdivision (b) is probable.

35     SEC. 3. In addition to the implementation of subdivision (b)  
36 of Section 41325 of the Education Code, it is the intent of the  
37 Legislature that the Superintendent of Public Instruction, operating  
38 through the appointed state administrator, do all of the following:

39     (a) Work with the staff and governing board of the Inglewood  
40 Unified School District to identify the procedures and programs

1 *that the school district will implement during the 2010–11 school*  
2 *year and future school years that do all of the following:*

- 3 *(1) Significantly raise pupil achievement.*
- 4 *(2) Improve pupil attendance.*
- 5 *(3) Lower pupil dropout rate.*
- 6 *(4) Increase parental involvement.*
- 7 *(5) Attract, retain, and train a quality teaching staff.*
- 8 *(6) Manage fiscal expenditures in a manner that is consistent*  
9 *with the current and projected revenues of the school district.*

10 *(b) Analyze the identified procedures and programs and, where*  
11 *applicable and appropriate, protect, maintain, and expand them*  
12 *as the budget of the school district allows. The state administrator*  
13 *shall report any findings applicable to this section to the*  
14 *Superintendent of Public Instruction and the education committees*  
15 *of the Legislature.*

16 *(c) To the extent allowed by school district finances, maintain,*  
17 *under the revised program, core educational reforms that will lead*  
18 *to districtwide improvement of academic achievement, including,*  
19 *but not necessarily limited to, educational reforms targeting*  
20 *underperforming and program improvement schools and other*  
21 *reforms that have demonstrated measurable success.*

22 *SEC. 4. (a) The County Office Fiscal Crisis and Management*  
23 *Assistance Team (FCMAT), with concurrence from the*  
24 *Superintendent of Public Instruction, shall do all of the following:*

25 *(1) Provide assistance to the state administrator in the*  
26 *development of the first annual multiyear financial recovery plan*  
27 *required under paragraph (2) of subdivision (a) of Section 41327*  
28 *of the Education Code.*

29 *(2) Provide assistance to the state administrator in the*  
30 *development of the adopted budget and interim reports.*

31 *(3) Recommend to the Superintendent of Public Instruction any*  
32 *studies or activities that should be undertaken by the state*  
33 *administrator to enhance revenue or achieve cost savings.*

34 *(4) Provide any other assistance as described in Section 42127.8*  
35 *of the Education Code.*

36 *(b) The Inglewood Unified School District shall bear 100*  
37 *percent of all costs associated with implementing Article 2.5*  
38 *(commencing with Section 41325) of Chapter 3 of Part 24 of*  
39 *Division 3 of Title 2 of the Education Code, including the activities*  
40 *of the FCMAT. The FCMAT's assistance under this section shall*

1 *continue until the school district is certified as positive pursuant*  
2 *to the definition in paragraph (1) of subdivision (a) of Section*  
3 *42131 of the Education Code, or until all legal rights, duties, and*  
4 *powers are returned to the governing board of the school district,*  
5 *whichever comes first.*

6 *SEC. 5. For the purposes of Article 2 (commencing with Section*  
7 *41320) of, and Article 2.5 (commencing with Section 41325) of,*  
8 *Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code,*  
9 *the administrator is a public school employer within the meaning*  
10 *of the Educational Employment Relations Act (Chapter 10.7*  
11 *(commencing with Section 3540) of Division 4 of Title 1 of the*  
12 *Government Code).*

13 *SEC. 6. (a) The Superintendent of Public Instruction may*  
14 *consider the comprehensive assessment conducted by the County*  
15 *Office Fiscal Crisis and Management Assistance Team (FCMAT)*  
16 *pursuant to Section 41327.1 of the Education Code to meet the*  
17 *requirements for the financial management review and recovery*  
18 *plan identified in paragraph (1) of subdivision (a) of Section*  
19 *41327.1 of the Education Code.*

20 *(b) The improvement plan for personnel management specified*  
21 *in paragraph (3) of subdivision (a) of Section 41327.1 of the*  
22 *Education Code shall include, but not necessarily be limited to,*  
23 *the following training:*

24 *(1) Training for members of the governing board of the*  
25 *Inglewood Unified School District in the subjects about which*  
26 *members of the governing board need to have knowledge to*  
27 *effectively discharge their duties as school board members, with*  
28 *specific training in the fiduciary responsibilities of a governing*  
29 *board member and in the financial management practices*  
30 *necessary for governing board members to effectively discharge*  
31 *their duty to oversee and monitor the budget, accounting practices,*  
32 *revenues, and expenditures of the school district. At a minimum,*  
33 *each school board member shall participate in the Masters In*  
34 *Governance training provided by the California School Boards*  
35 *Association. The cost for this training shall be borne by the school*  
36 *district.*

37 *(2) Training for all personnel with management, policymaking,*  
38 *and advisory responsibilities who report or would report directly*  
39 *to the state administrator, to ensure they have the knowledge and*  
40 *skills to effectively administer their areas of responsibility*

1 *consistent with sound fiscal practices and the budgetary*  
2 *requirements of the school district.*

3 *(c) Notwithstanding the timelines in subdivision (d) of Section*  
4 *41327.1 of the Education Code, after the first written status report,*  
5 *FCMAT shall file subsequent reports annually thereafter as*  
6 *determined by the Superintendent of Public Instruction.*

7 *SEC. 7. (a) The sum of twelve million nine hundred thousand*  
8 *dollars (\$12,900,000) is hereby appropriated from the General*  
9 *Fund to the Superintendent of Public Instruction for apportionment*  
10 *to the Inglewood Unified School District for the purpose of an*  
11 *emergency loan. In order to qualify for the loan, the school district*  
12 *shall comply with Article 2 (commencing with Section 41320) of,*  
13 *and Article 2.5 (commencing with Section 41325) of, Chapter 3*  
14 *of Part 24 of Division 3 of Title 2 of the Education Code to the*  
15 *extent those provisions are consistent with the conditions specified*  
16 *in this act.*

17 *(b) Funds may be disbursed from the proceeds of the loan only*  
18 *if the state administrator and the County Office Fiscal Crisis and*  
19 *Management Assistance Team jointly determine that the*  
20 *disbursement is necessary to support the immediate cashflow needs*  
21 *of the school district.*

22 *(c) Based on the needs of the school district to meet its*  
23 *obligations, the Superintendent of Public Instruction may direct*  
24 *the Controller to disburse, on a monthly basis, specific amounts*  
25 *of the emergency loan before the approval of all of the conditions*  
26 *established by this act.*

27 *(d) For the fiscal year in which the apportionments are*  
28 *disbursed and each year thereafter, the Controller, or his or her*  
29 *designee, shall cause an audit in lieu of the audit required by*  
30 *Section 41020 of the Education Code to be conducted of the books*  
31 *and accounts of the school district. At the discretion of the*  
32 *Controller, the audit may be conducted by the Controller, his or*  
33 *her designee, or an auditor selected by the school district and*  
34 *approved by the Controller. The costs of these audits shall be borne*  
35 *by the school district. The audits shall be required until the*  
36 *Controller determines, in consultation with the Superintendent of*  
37 *Public Instruction, that the school district is financially solvent*  
38 *but in no event earlier than one year following the implementation*  
39 *of the plan or later than the time the apportionment made is repaid,*  
40 *including interest.*

1     *SEC. 8. (a) The Inglewood Unified School District shall repay*  
2     *the emergency loan incurred pursuant to Section 7 of this act as*  
3     *a straight line loan amortized over a 20-year term. This amount*  
4     *shall be repaid by the school district, plus interest calculated at a*  
5     *rate equal to the rate earned by the Pooled Money Investment*  
6     *Account on the date this act becomes effective, for a period not to*  
7     *exceed 20 years.*

8     *(b) If a required payment is not made within 60 days after a*  
9     *scheduled date, the Controller shall pay the defaulted loan payment*  
10    *of principal and interest by withholding that amount from the next*  
11    *available payment that would otherwise be made to the county*  
12    *treasurer on behalf of the school district pursuant to Section 14041*  
13    *of the Education Code. However, subject to the approval of the*  
14    *Department of Finance, the amount withheld may be in monthly*  
15    *amounts as determined by an agreement between the Inglewood*  
16    *Unified School District and the Controller during the period*  
17    *beginning with the next available apportionment through the month*  
18    *preceding the next scheduled payment.*

19    *(c) The school district shall enter into a lease financing with*  
20    *the California Infrastructure and Economic Development Bank*  
21    *for the purpose of financing the emergency apportionment,*  
22    *including a repayment to the General Fund of the amount advanced*  
23    *pursuant to Section 7 of this act. In addition to the emergency*  
24    *apportionment, the lease financing may include funds necessary*  
25    *for reserves, capitalized interest, credit enhancements, and costs*  
26    *of issuance. The bank shall issue bonds for that purpose pursuant*  
27    *to the powers granted pursuant to the Bergeson-Peace*  
28    *Infrastructure and Economic Development Bank Act as set forth*  
29    *in Division 1 (commencing with Section 63000) of Title 6.7 of the*  
30    *Government Code. The term of the lease shall not exceed 20 years,*  
31    *except that if at the end of the lease term any rent payable is not*  
32    *fully paid, or if the rent payable has been abated, the term of the*  
33    *lease shall be extended for a period not to exceed 10 years.*

34    *(d) The Director of Finance may amend the payment schedule*  
35    *set forth in subdivision (a) if the director concludes that the*  
36    *amendment is warranted and is in the best interests of both the*  
37    *state and the Inglewood Unified School District education*  
38    *program. Upon that determination, the director shall notify the*  
39    *Joint Legislative Budget Committee that the payment schedule will*  
40    *be changed on the date that is 90 days from the date of notification*



1 *if the Legislature is in session. If the 90-day period ends during a*  
2 *recess of the Legislature or while the Legislature is not in session,*  
3 *the 90-day period shall be extended until the Legislature*  
4 *reconvenes. Amendments to the payment schedule shall defer the*  
5 *unpaid portion of a repayment of the earliest fiscal year in which*  
6 *no other repayment is scheduled. Interest shall accrue on the*  
7 *unpaid portion of a repayment from the scheduled due date until*  
8 *the time the payment is actually made. The interest charge shall*  
9 *be the rate equal to the daily investment rate of the Pooled Money*  
10 *Investment Account on the date the pay schedule is changed.*

11 *(e) The school district may repay its loan obligation without*  
12 *incurring any prepayment penalties.*

13 *SEC. 9. (a) Notwithstanding Sections 17456, 17457, 17462,*  
14 *and 17463 of the Education Code, or any other law, from June 1,*  
15 *2011, to June 30, 2014, inclusive, the Inglewood Unified School*  
16 *District may sell property owned by the school district and use the*  
17 *proceeds from the sale to reduce or retire the emergency loan*  
18 *provided in Section 7 of this act. The sale only of property pursuant*  
19 *to this subdivision is not subject to Section 17459 or 17464 of the*  
20 *Education Code.*

21 *(b) Notwithstanding any other law, from June 1, 2011, to June*  
22 *30, 2016, inclusive, the Inglewood Unified School District is not*  
23 *eligible for financial hardship assistance pursuant to Article 8*  
24 *(commencing with Section 17075.10) of Chapter 12.5 of Part 10*  
25 *of Division 1 of Title 1 of the Education Code.*

26 *SEC. 10. The Los Angeles County Superintendent of Schools*  
27 *maintains the responsibility to superintend school districts under*  
28 *his or her jurisdiction. This act does not remove any statutory or*  
29 *regulatory rights, duties, or obligations from the county*  
30 *superintendent of schools.*

31 *SEC. 11. The Legislature finds and declares that, due to unique*  
32 *circumstances relating to the fiscal emergency in the Inglewood*  
33 *Unified School District, a general statute cannot be made*  
34 *applicable within the meaning of Section 16 of Article IV of the*  
35 *California Constitution.*

36 *SEC. 12. No reimbursement is required by this act pursuant*  
37 *to Section 6 of Article XIII B of the California Constitution because*  
38 *the only costs that may be incurred by a local agency or school*  
39 *district are the result of a program for which legislative authority*  
40 *was requested by that local agency or school district, within the*

1 *meaning of Section 17556 of the Government Code and Section 6*  
2 *of Article XIII B of the California Constitution.*

3 ~~SECTION 1. Section 48260.5 of the Education Code is~~  
4 ~~amended to read:~~

5 ~~48260.5. (a) Upon a pupil's initial classification as a truant,~~  
6 ~~the school district shall notify the pupil's parent or guardian using~~  
7 ~~the most cost-effective method possible, which may include~~  
8 ~~electronic mail or a telephone call:~~

9 ~~(1) That the pupil is truant.~~

10 ~~(2) That the parent or guardian is obligated to compel the~~  
11 ~~attendance of the pupil at school.~~

12 ~~(3) That parents or guardians who fail to meet this obligation~~  
13 ~~may be guilty of an infraction and subject to prosecution pursuant~~  
14 ~~to Article 6 (commencing with Section 48290) of Chapter 2 of~~  
15 ~~Part 27.~~

16 ~~(4) That alternative educational programs are available in the~~  
17 ~~district.~~

18 ~~(5) That the parent or guardian has the right to meet with~~  
19 ~~appropriate school personnel to discuss solutions to the pupil's~~  
20 ~~truancy.~~

21 ~~(6) That the pupil may be subject to prosecution under Section~~  
22 ~~48264.~~

23 ~~(7) That the pupil may be subject to suspension, restriction, or~~  
24 ~~delay of the pupil's driving privilege pursuant to Section 13202.7~~  
25 ~~of the Vehicle Code.~~

26 ~~(8) That it is recommended that the parent or guardian~~  
27 ~~accompany the pupil to school and attend classes with the pupil~~  
28 ~~for one day.~~

29 ~~(b) A school district shall establish a policy specifying the time~~  
30 ~~period for notifying the parent or guardian of a pupil upon the~~  
31 ~~pupil's initial classification as a truant pursuant to subdivision (a).~~

32 ~~SEC. 2. If the Commission on State Mandates determines that~~  
33 ~~this act contains costs mandated by the state, reimbursement to~~  
34 ~~local agencies and school districts for those costs shall be made~~  
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
36 ~~4 of Title 2 of the Government Code.~~